

SP 8/10/04

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

APR 8-10-2004

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	September 30, 1998
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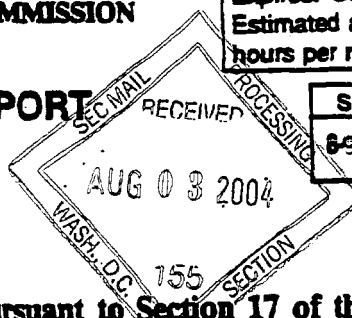
ANNUAL AUDITED REPORT
FORM X-17A-5
PART III



04019572

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder



SEC FILE NUMBER
89545

REPORT FOR THE PERIOD BEGINNING JUNE 1, 2003 AND ENDING MAY 31, 2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

WECHSLER & CO., INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

105 SOUTH BEDFORD ROAD

(No. and Street)

MT KISCO

(City)

NY

(State)

10549

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JAY MITTENTAG

(914) 242-6060

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

SANFORD BECKER & CO., PC

(Name -- if individual, state last, first, middle name)

1430 BROADWAY 6TH Floor NEW YORK

(Address)

(City)

NY

(State)

10018

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED
AUG 11 2004
THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

APR 8-10-2004

OATH OR AFFIRMATION

I, JAY MITTENTAG, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of WECHSLER & CO, INC, as of MAY 31, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Sworn to before me this
29th day of July 2004

Deborah A. Berwa
Notary Public

Jay Mittenag
Signature
CHIEF FINANCIAL OFFICER
Title

DEBORAH A. BERWA
Notary Public, State of New York
No 01BE6016404
Qualified in Westchester County
Commission Expires November 16, 2006

This report** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in ~~Financial Condition~~ CASH FLOWS
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

WECHSLER & CO., INC.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
ON PART IIA OF FORM X-17A-5

YEAR ENDING MAY 31, 2004

FOCUS REPORT

FORM

(Financial and Operational Combined Uniform Single Report)

X A-5

PART IIA

12

10/85

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) ☒ 16

2) Rule 17a-5(b) ☐ 17

3) Rule 17a-11 ☐ 18

4) Special request by designated examining authority ☐ 19

5) Other ☐ 26

OF BROKER-DEALER

SEC FILE NO

WECHSLER & CO., INC.

8 9545 14

FOR FIRM ID NO

3719 15

FOR PERIOD BEGINNING (MM/DD/YY)

JUNE / 1 / 2003 24

AND ENDING (MM/DD/YY)

MAY / 31 / 2004 25

105 SOUTH BEDFORD ROAD 20

(No and Street)

MT KISCO 21

(City)

NEW YORK 22

(State)

10549 23

(Zip)

(Area Code) - Telephone No.

JAY MITTENTAG 30

(914) 242-6060 31

OFFICIAL USE

(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

WEKS INC 32

34

36

38

33

35

37

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ?

YES ☐ 40 NO ☒ 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

☒ 42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the _____ day of _____ 19____

Manual Signatures of

1) _____
Principal Executive Officer or Managing Partner

2) _____
Principal Financial Officer or Partner

3) _____
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a))

NYSE

WECHSLER & CO., INC..

MAY 31, 2004

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SANFORD BECKER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

RICHARD S. BECKER, C.P.A.
SANFORD E. BECKER, C.P.A.
GEORGE S. GETZ, C.P.A.

SANFORD BECKER, C.P.A. 1922-1994

1430 BROADWAY
NEW YORK, N.Y. 10018
TELEPHONE - (212) 921 - 9000
FACSIMILE - (212) 354 - 1822

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Wechsler & Co., Inc.

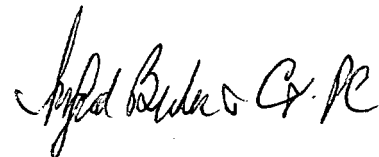
We have audited the accompanying statement of financial condition of Wechsler & Co., Inc. as of May 31, 2004 and the related statements of income, changes in stockholders' equity and cash flows for the year then ended, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wechsler & Co., Inc. as of May 31, 2004 and the results of their operations and their cash flows for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedules listed on the accompanying index is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

New York, New York
July 10, 2004



FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER WECHSLER & CO., INC

N 3

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STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) MAY 31, 2004

SEC FILE NO. 8-9545

Consolidated

Unconsolidated

X

99

98

198

199

ASSETS

Allowable

Non-Allowable

Total

1. Cash	\$	102,388	200		\$	102,388	750
2. Receivables from brokers or dealers:							
A. Clearance account	Y	22,419,182	295				
B. Other			300	\$	550	22,419,182	810
3. Receivables from non-customers			355		600		830
4. Securities and spot commodities							
owned, at market value:							
A. Exempted securities			418				
B. Debt securities		137,600	419				
C. Options			420				
D. Other securities		41,543,448	424				
E. Spot commodities	Y		430			41,631,048	850
5. Securities and/or other investments							
not readily marketable:							
A. At cost Y \$ 13,348,613			130				
B. At estimated fair value			440	12,170,321	610	12,170,321	860
6. Securities borrowed under subordination agree-							
ments and partners' individual and capital							
securities accounts, at market value:			460		630		880
A. Exempted							
securities \$			150				
B. Other							
securities \$			160				
7. Secured demand notes:			470		640		890
market value of collateral:							
A. Exempted							
securities \$			170				
B. Other							
securities \$			180				
8. Memberships in exchanges:							
A. Owned, at							
market \$			190				
B. Owned, at cost					650		
C. Contributed for use of the company,							
at market value	Y				660		900
9. Investment in and receivables from							
affiliates, subsidiaries and							
associated partnerships			480		670		910
10. Property, furniture, equipment,							
leasehold improvements and rights							
under lease agreements, at cost-net							
of accumulated depreciation							
and amortization			490		680		920
11. Other assets			535	3,236,707	735	3,236,707	930
12. TOTAL ASSETS	Y \$	64,202,618	540	\$ 15,407,028	740	\$ 79,609,646	940

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SEE NOTES TO FINANCIAL STATEMENTS

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER **WECHSLER & CO., INC.**

as of **MAY 31, 2004**

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1471
14. Payable to brokers or dealers:			
A. Clearance account	1114	1,279,563	1,279,563
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1610
16. Securities sold not yet purchased, at market value		26,813,692	26,813,692
17. Accounts payable, accrued liabilities, expenses and other	415,461	17,033,514	17,448,975
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders \$	970		
2. Includes equity subordination (15c3-1 (d)) of \$	980		
B. Securities borrowings, at market value:...		1410	1720
from outsiders \$	990		
C. Pursuant to secured demand note collateral agreements:		1420	1730
1. from outsiders: \$	1000		
2. Includes equity subordination (15c3-1 (d)) of \$	1010		
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 415,461	\$ 45,126,769	\$ 45,542,230

Ownership Equity

21. Sole proprietorship	\$ 1770
22. Partnership (limited partners)	\$ 1780
23. Corporation:	
A. Preferred stock	2,604,750
B. Common stock	50,247
C. Additional paid-in capital	1793
D. Retained earnings	31,412,419
E. Total	34,067,416
F. Less capital stock in treasury	1796
24. TOTAL OWNERSHIP EQUITY	\$ 34,067,416
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$ 79,609,646

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WECHSLER & CO., INC.
STATEMENT OF EARNINGS
YEAR ENDED MAY 31, 2004

REVENUE

Commissions	1,000
Profit Trading - Securities	3,151,634
Dividends & Interest (Net)	256,439
Other	169,231
	<u>3,578,304</u>

EXPENSES

Employee Compensation and Benefits	2,082,759
Communications	287,148
Interest	114,669
Occupancy Expenses	164,657
Clearance Charges	10,671
Other Operating Expenses	2,092,189
	<u>4,752,093</u>

Net Loss Before Federal Income Tax and Unrealized Losses	(1,173,789)
Unrealized Loss-Trading and Investment Securities	(560,915)
Net Loss Before Federal Income Tax	<u>(1,734,704)</u>
Provision for Taxes	
Current	(419,171)
Deferred	(170,630)
	<u>(589,801)</u>
Net Loss	<u><u>(1,144,903)</u></u>

WECHSLER & CO., INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
YEAR ENDED MAY 31, 2004

	<u>COMMON STOCK</u>	<u>PREFERRED STOCK</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
Balance - June 1, 2003	\$ 50,247	\$ 2,604,750	\$ 32,177,260	\$ 34,832,257
Add:				
Prior Year Adjustment			\$ 380,062	\$ 380,062
Deduct:				
Net Loss for the Year			(1,144,903)	(1,144,903)
Balance - May 31, 2004	<u>\$ 50,247</u>	<u>\$ 2,604,750</u>	<u>\$ 31,412,419</u>	<u>\$ 34,067,416</u>

WECHSLER & CO., INC.
STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Profit (Loss) For the Year		\$ (1,144,903)
Adjustment to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Prior Year Adjustment	380,062	
Depreciation	20,229	
Increase in Receivable From Brokers or Dealers	(2,725,504)	
Decrease in Other Assets	3,630,577	
Decrease in Accounts Payable and Accrued Expenses Payable	(147,859)	
	1,137,462	
Total Adjustments	<u>2,294,967</u>	
Net Cash Provided by Operating Activities		1,150,064

CASH FLOWS FROM INVESTING ACTIVITIES:

Increase in Securities Owned (Net)	<u>1,144,312</u>	
Net Cash Used by Investing Activities		<u>(1,144,312)</u>
Increase in Cash and Cash Equivalents		5,752
Cash Beginning of Year		96,636
Cash at End of Year		<u>\$ 102,388</u>

WECHSLER & CO., INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MAY 31, 2004

1) General Business:

The company is registered as a broker/dealer in securities with the Securities and Exchange Commission. In this capacity, it executes principal and agency transactions. The company conducts business primarily with broker/dealers for its own proprietary accounts and also introduces customer transactions to Bear Stearns Securities Corp. on a fully disclosed basis.

In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in market value (market risk) or failure of the other party to the transaction to perform (credit risk) exceeds the amounts recorded for the transaction. The Company has a policy of reviewing the credit standing of each customer and counter party with which it conducts business. Wechsler & Co., Inc. does not do business in foreign currency, futures or forward contracts.

2) Summary of Significant Accounting Policies:

- (a) Securities sold, but not yet purchased include marketable securities stated at quoted market values, with unrealized gains and losses reflected in income. Subsequent market fluctuation of securities sold, but not yet purchased may require purchasing the securities at prices which may differ from the market values reflected on the statement of financial condition.
- (b) Furniture and equipment are stated at cost less accumulated depreciation. Depreciation is computed using accelerated methods over the estimated useful lives of the related assets.
- (c) The current and deferred portions of the income tax expense included in the statement of earnings as determined in accordance with FASB statement No. 109 "Accounting for Income Taxes," are as follows:

	<u>Current</u>	<u>Deferred</u>
Federal	\$ (419,171)	\$ (170,630)
State	<u>(145,098)</u>	<u>(59,064)</u>
	\$ (564,269)	(229,694)

Deferred income taxes are applicable to unrealized appreciation of investment securities.

(Continue on next page)

- (d) The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.
- (e) The company is obligated under a noncancelable operating lease for its office premises expiring October 31, 2004. Total remaining obligations under this lease amount to \$45,514.80.

3) Capital Stock:

Capital Stock consists of the following:

\$1,000 Cumulative Preferred 6% No Par Value

Authorized 10,000 Shares

Issued and Outstanding 2,604.75 Shares \$ 2,604.750

Authorized 482 Share Common Shares

Issued and Outstanding 160 Shares \$ 50,247

Cumulative dividends remain unpaid and undeclared.

On liquidation preference dividends will only be paid if declared from earnings.

As of May 31, 2004 dividends in the amount of \$ 3,505,442.35 remain unpaid and undeclared

Cumulative Pfd dividends which remain unpaid would be an additional liquidation preference upon sale or liquidation of the corporation.

4) Net Capital Requirements:

The Company is subject to the uniform net capital rule (Rule 15c3-1) of the Securities Exchange Act of 1934, which requires that the Company maintain a ratio of aggregate indebtedness to the net capital as defined, not to exceed 15 to 1. At May 31, 2004 the Company's net capital was \$16,131,074 whereas the required net capital was \$100,000. Aggregate indebtedness was \$415,461. The percentage indebtedness to the net capital was 3%.

- 5) The Internal Revenue Service has assessed additional Federal Corporate income taxes of \$7,036,877.00 plus interest for the tax years ended May 31, 1992 through May 31, 1999. The Corporation has filed a petition for review in the United States Tax Court. The firm considers these assessments to be without merit. No provision for this liability has been made in these financial statements.

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA

BROKER OR DEALER

WECHSLER & CO., INC.

as of 5 / 31 / 04

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition		34,067,416	35
2. Deduct Ownership equity not allowable for net capital		()	35
3. Total ownership equity qualified for net capital		34,067,416	35
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital ...			35
3. Other (deductions) or allowable credits (List)			35
5. Total capital and allowable subordinated liabilities		34,067,416	35
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Note B and C)	15,407,028	3540	
3. Secured demand note deficiency		3590	
C. Commodity futures contracts and spot commodities			
-proprietary capital charges		3600	
D. Other deductions and/or charges		3610	
7. Other additions and/or allowable credits (List)		(15,407,028)	36
8. Net Capital before haircuts on securities positions		18,660,398	36
9. Haircuts on securities (computed, where applicable; pursuant to 15c3-1 (f)):			
Contractual securities commitments		3660	
Subordinated securities borrowings		3670	
C. Trading and investment securities			
1. Exempted securities		3735	
2. Debt securities	20,640	3733	
3. Options		3730	
4. Other securities	2,293,337	3734	
D. Undue concentration	215,337	3650	
E. Other (List)		3736	
10. Net Capital		(2,529,314)	37
		16,131,074	37

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SEE NOTES TO FINANCIAL STATEMENTS

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

WECHSLER & CO., INC.

as of 5 / 31 / 04

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	27,697	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	100,000	3758
13. Net capital requirement (greater of line 11 or 12)	100,000	3760
14. Excess net capital (line 10 less 13)	16,031,074	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)		3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition	415,461	3790
17. Add:		
A. Drafts for immediate credit	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	3810	
C. Other unrecorded amounts (List)	3820	3830
19. Total aggregate indebtedness	415,461	3840
20. Percentage of aggregate indebtedness to net capital (line 19 / by line 10)	3%	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1 (d)		3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	N/A	3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)		3880
24. Net capital requirement (greater of line 22 or 23)		3760
25. Excess net capital (line 10 less 24)		3910
26. Net capital in excess of the greater of:		
A. 5% of combine aggregate debit items or \$120,000		3920

NOTES:

(A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:

1. Minimum dollar net capital requirement, or
2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternate method is used.

(B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.

For reports filed pursuant to paragraph (d) of Rule 17a-5 respondent should provide a list of material non-allowable assets.

SEE NOTES TO FINANCIAL STATEMENTS

Page 10

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART IIA

BROKER OR DEALER

WECHSLER & CO., INC.

as of 5 / 31 / 04

Exemptive Provisions Under Rule 15c3-3

If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k) (1)-\$2,500 capital category as per Rule 15c3-1 4550
- B. (k) (2)(A)-"Special Account for the Exclusive Benefit of customers" maintained 4560
- C. (k) (2)(B)-All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm BEAR STEARNS SECURITIES CORP. 4335 X 4570
- D. (k) (3)-Exempted by order of the Commission 4580

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type Of Proposed withdrawal or Accrual
See below for code to enter

Name of Lender or Contributor	Insider or Outsider ? (In or Out)	Amount to be With drawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)	
	4601	4602	4603	4604	4605
	4611	4612	4613	4614	4615
	4621	4622	4623	4624	4625
	4631	4632	4633	4634	4635
	4641	4642	4643	4644	4645
	4651	4652	4653	4654	4655
	4661	4662	4663	4664	4665
	4671	4672	4673	4674	4675
	4681	4682	4683	4684	4685
	4691	4692	4693	4694	4695
TOTAL		4699			

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Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE:

DESCRIPTION

1. Equity Capital
2. Subordinated Liabilities
3. Accruals
4. 15c3-1(c)(2)(iv) Liabilities

SEE NOTES TO FINANCIAL STATEMENTS

RECONCILIATION OF COMPUTATION OF NET CAPITAL PURSUANT TO
UNIFORM NET CAPITAL RULE 15C3-1 TO CORPORATIONS
CORRESPONDING UNAUDITED FORM X-17A-5 PART IIA

FILING MAY 31, 2004

Net Capital Per Corporation's Unaudited Form X-17A-5 Part IIA Amended Filing May 31, 2004	\$ 16,131,074
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Net Capital Per Computation Pursuant to Rule 17A-5(d) Audited Filing	<u>\$ 16,131,074</u>
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SANFORD BECKER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON INTERNAL CONTROL

Board of Directors
Wechsler & Co., Inc.

In planning and performing our audit of the financial statements and supplemental schedules of Wechsler & Co., Inc. for the year ended May 31, 2004 we considered its internal control structure including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g) (1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by Wechsler & Co., Inc. including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a) (11) and or determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

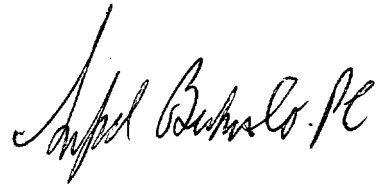
The management of the Company is responsible for establishing and maintaining an internal control structure and practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the company has responsibility and safeguarded against loss from unauthorized use or disposition and that the transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in an internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection on any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy of such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at May 31, 2004 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities Exchange Commission, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers and should not be used for any other purpose.



New York, New York
July 10, 2004